

Indiana House of Representatives

News and Information

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SMITH: PROPERTY TAX RELIEFS AND INCREASES FOR LAKE COUNTY

INDIANAPOLIS – According to State Rep. Vernon G. Smith (D-Gary), Lake County residents will see both property tax relief and tax hikes, thanks to legislation passed during the 2005 General Assembly.

Four bills, two from the House and two from the Senate, include language that deal directly with Indiana's increasing property taxes. House Bill 1120 gives counties the option to phase out the property tax credit for individuals who have experienced large increases in their property taxes. Citizens who saw more than a \$500 increase would be eligible for the phased out credit.

Counties are given another credit option through the state's biennial budget, House Bill 1001. The legislation will give counties the option of providing credits to homeowners whose net property taxes exceed 2 percent of the property's assessed value even after all other credits are applied.

Senate Bill 327 will provide relief by delaying the impact for one year of shifts between property classes, which normally result in residents seeing a large increase in tax money owed.

Senate Bill 496 uses riverboat revenue to benefit local citizens. The legislation would authorize the use of the gaming revenue for citizens' property tax relief.

However, Smith said Lake County will see increases in their property taxes as well. Property Tax Replacement Credits have been capped for the 2006 - 2007 biennium, meaning the state will not provide the funds to pay for added property tax relief. Lake County must also repay the Juvenile Delinquency fund or property tax relief credits may be withheld.

The school funding for local schools also require Lake County to raise local property taxes. The state has cut its funding to the schools and even with the proposed 5.6 percent increase in taxes, local schools will still not have the funds available to operate under their current budgets.

"While Lake County has been given the option of implementing new property tax credits for its citizens, the lack of funding for our schools will drive the taxes up again," said Smith. "The most unfortunate thing about the situation is that even with the increase in our property taxes, the schools will still not have enough money to function at their current level, meaning that teachers will have to be let go and students will find themselves in larger classes."